JULY 27, 1964

HARD CORDAGE FIBERS
IN A CHANGING WORLD

OUR EXPANDING EXPORTS
OF BEANS, PEAS, AND LENTILS

BRAZIL EXPORTS MORE WHEAT

THE UNIVERSITY OF MICHIGAN
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Including FOREIGN CROPS AND MARKETS

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Tanganyikan sisal being dried on racks after machine processing. World production and trade in this and the other two major hard cordage fibers are discussed in story, page 3.

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Hard Cordage Fibers in a Changing World

After more than a century of unchecked expansion, the hard cordage fiber industry is faced with new and vigorous competition from the manmade fibers.

By CECILLE M. PROTZMAN
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The three principal hard cordage fibers—sisal, henequen, and abaca—displaced true hemp as a leading cordage fiber more than a century ago and are still the undisputed leaders in their fields, with a 1963 production of more than 2 billion pounds.

However, several forms of competition have developed in late years. Among these are the new methods of commodity handling that eliminate the need for hard fiber products and the nylon and other synthetic ropes which compare well in both price and characteristics with hard fibers.

Of the hard fibers, sisal is the most important, accounting for 1,445 million pounds, or 71 percent, of the world production in 1963. About 70 percent of this fiber is used in agricultural twines and ropes and most of the balance in carpet and packing twines. Next in importance, henequen is normally used in binder and baler twines and smaller or lower priced cordage. Abaca is best suited to specialized, better grade ropes used for marine cordage or other products exposed to water. It competes with better grades of sisal, and henequen, with the lower ones.

Upward trend since 1800's

The production of these fibers has trended upward since about 1836 when sisal was first introduced into East Africa. Shortly afterward, abaca became known outside the Philippines and henequen, outside Mexico. These tropical newcomers soon displaced soft, or true hemp (a Temperate Zone crop), which had been the main cordage fiber. Expansion in their production, however, was gradual, owing to their perennial nature. (They require several years to reach maturity and then produce fiber-yielding leaves the year round for a long period of time.)

While the shift in production from soft to hard fibers was going on, demand for fibers was also increasing, reflecting the expansion of world needs for farm twines, marine, and other industrial fiber products, as well as the increased needs in times of war. However, sharp changes were experienced in some years.

In times of bumper world crops—especially grains and hay—or increased military action, demand for cordage, bags, and other fiber end products places unusual pressure on supplies. Conversely, reduced crops or lesser demand result in stocks that are larger than normal. Thus, the price of hard cordage fibers is normally affected on a short-time basis more by changes in demand than by changes in production.

The United States and Europe largely influence the demand for hard cordage fibers. Both are entirely dependent upon other countries for their supply of hard fibers and fiber products. The United States is normally the world's largest importer of these items. In 1963, it imported about 312 million pounds of sisal, henequen, and abaca,

Machine drying of decorticated abaca, Davao, Philippines.

valued at $28 million. Of the European countries, the United Kingdom is the largest importer of hard fibers; others are Japan and Australia.

Currently, 45 percent of these cordage fibers originate in the developing countries of Africa, 40 percent in the Western Hemisphere, and about 15 percent in Asia. Practically all of Africa's production is sisal and most of Asia's, abaca; but the Western Hemisphere produces both sisal and henequen.

Sisal: Africa, Brazil

African production of sisal in 1963 was 919 million pounds, or 64 percent of the world total. Of this, Tanganyika produced 476 million pounds; Kenya, 157 million; Angola, 150 million; Mozambique, 70 million; and the Malagasy Republic, 53 million. Practically all African-grown sisal is exported as raw fiber. However, Kenya has small, long-established factories, and Tanganyika, in line with planned industrialization, is beginning a small twine factory, which will begin operation this year.

More than 95 percent of the *Tanganyikan* crop comes from plantations or estates and the remainder from small farms or hedgerows. The government has announced plans to encourage both types of cultivation, with the goal of increasing production to over 500 million pounds by 1970. A significant expansion in acreage is to be undertaken, mostly in the northern part of the country near the new connecting rail line. Plans also include a Sisal Marketing Board, with broad powers over general sisal marketing policy, export licenses, export prices and taxes, and a joint government and industry company to operate existing sisal estates and to develop new ones.

Tanganyika, needing means for financing development, has since December 1962 levied an export tax ranging from 5 to 20 percent on sisal, its most valuable export. Most of this tax has been passed on to consumers because of already increased production costs, resulting mainly from the recent wage increases. During early 1963, the export price was the highest it has been since 1952, as a result of tightness in supply.

Kenya, second in African production of sisal, grows almost all its crop on plantations but is also encouraging small-farm output. It has established some processing units throughout the country to handle production from small farms and has started one nucleus estate, with surrounding growers selling their leaf production to the central factory. An export tax averaging 1¼ cents a pound on raw sisal became effective on May 1 of this year.

Most other African countries have shown interest in the current attractive prices for sisal and are planning expansion in their industries.

Traditionally about three-fourths of Africa's sisal exports have gone to the United Kingdom and other European countries; however, in the past several years, the proportion shipped to these areas has fallen slightly because of larger shipments elsewhere, mainly to the United States, Japan, and Australia.

Brazil, second largest sisal producer, began the industry only about 25 years ago. But by 1963, its production had reached nearly 424 million pounds, or 29 percent of the world total, and further increases are expected.

Most of Brazil's sisal was formerly consumed domestically; however, exports have been rising in recent years and in 1963 reached 320 million pounds. Contrary to the African situation, Brazilian production in 1963 exceeded demand, resulting in increased stocks of fiber. The country's foreign exchange problem (constant fluctuation in the value of the cruzeiro) has somewhat hampered exports.

Early in 1963, the government urged that measures be taken to strengthen the domestic sisal industry. It proposed strengthening the registration system of sisal export prices, increasing financial aid to the trade, possibly setting minimum export prices, and promoting expansion of its markets, particularly in the Soviet Union and other East European countries.

Henequen: Mexico

Henequen is produced mainly in Mexico, where in 1963 over 300 million pounds of this fiber were processed. Hub of that country's industry is the Yucatan Peninsula, which counts henequen as the major item in its economy.

Exports of the raw fiber to the United States accounted for much of the crop in earlier years, but because of the recent Mexican policy of stressing exports of manufactures, domestic mill consumption has gained in importance to where it absorbs about 80 percent of the crop.

The smaller crops of the past 2 years, combined with increased demand by domestic mills, led to severe restrictions on exports of fiber during many months of 1963 and resulted in hardships to fiber importers in the United States who had contracts placed for henequen.

Considerable change is taking place in the organization of the Yucatan henequen industry. The government is encouraging small-farm production of this former plantation crop by restricting acreage and also by extending credit to families relocated on small individual or communal-type farms. The small farmers now own about 80 percent of the cultivated henequen area in Yucatan, and produce 60 percent of the fiber. To expand production of these farms, the government has proposed that the handling and marketing costs be lowered and that social security benefits and better financing be made available to farmers.

The government is also purchasing old and building new decorticating plants for extraction of fiber, mostly from leaves harvested by small farmers. Most of the cordage factories of Yucatan, which consume some 80 percent of the henequen fiber, were consolidated in 1961 into one large corporation, Cordemex, under government operation. The price paid by Cordemex for fiber was raised late in 1963 to 10 cents a pound from 8 cents in 1962.

Abaca: Philippines

World production of abaca was 260 million pounds in 1963, of which 95 percent was of Philippine origin. Since 1935, when it hit a peak of 428 million pounds, world abaca production has been trending downward. Today, it accounts for only 13 percent of the main hard cordage fiber output against 37 percent in 1935.

Since reaching a 1935 peak of 416 million pounds, Philippine output of abaca has never exceeded the 318 million of 1951 and was only 247 million in 1963. Wartime destruction, a shift in population, postwar inroads of mosaic disease, and economic difficulties have deterred recovery of the industry. However, producers are beginning to once again show interest in this crop, owing to the current favorable prices.

The Philippines exports more than 90 percent of its crop as raw fiber. About a third of the export is shipped to European countries and between a fourth and a third each, to the United States and Japan.

Generally high prices

Prices of cordage fibers have been relatively high during most of the past 25 years. East African Grade I sisal, landed New York, averaged 18.3 cents a pound in 1963. It had jumped from a prewar (1935-38) average of 5.1 cents to a peak of 29.7 during the Korean conflict (1951), but had dropped to a postwar low of 9.4 cents in 1957.

Philippine abaca, Davao I, rose from a prewar 7.5 cents to a peak of 32.1 in 1951; in 1963 it averaged 22.7. The postwar low was 18.6 cents in 1954. Mexican henequen during this period rose from 5.1 cents to 24.5, dropped to 7.6 in 1955, but rose to 11.4 in early 1963. Because of the meager offerings, it was unquoted during the rest of 1963.

Competition keen but outlook still good

Hard fibers had little competition for more than a century after almost entirely replacing hemp for cordage. However, competing factors have appeared in recent years in the form of commercial bulk handling of many major commodities, the combine harvester, paper bags and twines, and other methods of handling commodities which do not require hard fiber products.

Also, manmade fibers have begun to enter the cordage field. During the long postwar shortage of abaca fiber, nylon and possibly other synthetic ropes were developed which made deep inroads in the field formerly dominated by abaca, especially in marine cordage. And now a newer nylon fiber designed for marine ropes and cordage promises to give even better results than the earlier fiber.

Other competitors are terylene fiber, which can be used in place of both abaca and sisal, and a new polypropylene staple fiber with many favorable characteristics for use in ropes, twines, and cordage, which has entered the market in competition mostly with sisal.

Nylon ropes are in demand in both the United Kingdom and the United States. Terylene and polypropylene products are currently used more widely in the United Kingdom. A new synthetic baler twine, recently introduced experimentally in the American market, reportedly compares well in price and characteristics with sisal twine, and many chemical and fiber firms are engaged in research for other and better fibers for use in farm and industry.

Use of these manmade fibers, which had been increasing even when prices were higher than those of vegetable fibers, will probably continue to expand, since prices are now more competitive with vegetable fibers. The synthetic fibers are beginning to compete in varying quantities in a wider field of industrial cordage; in 1962, the synthetics captured an estimated 70 to 75 percent of the world's fishing net market.

Despite this competition, the future still looks good for hard cordage fibers if producing countries can adjust their industries to the new situation. Needs for fibers should continue to expand as the population increases and nations become more industrialized. Also, the vegetable fiber industry is taking steps to offset losses to competitive fibers and methods of handling commodities through developing new uses for the cordage fibers and encouraging expansion in the traditional fields.

There has been rapid growth in the already-developed countries' use of baler twine and in the developing countries' use of hard fiber tying twines. More sisal and henequen are being used for sacks and bags in Latin America and for carpets in Western Europe. Use of hard fibers for padding and for paper manufacture is increasing. New uses have also been developed in such industries as building, mining, plastics, and pharmaceuticals.

Germany Speeds Movement Toward Common External Tariff

West Germany has unilaterally reduced its duties to countries outside the European Economic Community on about 215 agricultural, fish, and alcoholic beverage items. These reductions, all effective July 1, were made in response to the EEC Commission's recommendation earlier this year that the Common Market countries pursue liberal import policies as a measure against inflation.

The new reductions are in line with Germany's own proposal that EEC countries reduce their national tariffs more rapidly to the level of the EEC's Common External Tariff (CXT). Effective on the same date, Germany similarly reduced its duties to other EEC countries on some agricultural and industrial items, and it finished cutting to the CXT level all its remaining duties on industrial items.

For about one-fourth of the agricultural products covered, the reductions bring Germany's rates to third countries down to the CXT level. The items of interest to the United States include tallow, edible tallow oil and lard oil, inedible linseed oil (not crude), much canned fruit in containers of 1 kilogram or less, and soup in any form.

For the rest of the agricultural items, duties to third countries are now lower than they were, but still above the CXT level. Among these items, those directly concerning the United States are dried beans, peas, and lentils, primarily in containers of 1 kilogram or less; field and garden seeds; honey; canned fruit in containers of more than 1 kilogram; and mixed fruit and vegetable juices. On none of the agricultural items of interest to the United States were duties reduced by more than 3 percentage points.

Most agricultural products subject to import charges by the EEC are covered by the variable levy system rather than the CXT. This system is designed to protect EEC producers from competition with world prices. Subject to it, or scheduled to be (with a few exceptions such as products covered by previous commitments under GATT), are grains and grain products; poultry and eggs; beef and veal; pork; milk and other dairy products; and sugar. Where the CXT does apply, however, national tariffs have all either been brought 30 percent closer to the CXT level or —if the difference did not originally exceed 15 percent— already alined with it. These actions took place at the end of 1961.

As far as duty reductions within the Common Market are concerned, rates on agricultural items not affected by variable levies have now generally been cut to 55 percent of their 1957 level.

The German action of July 1 makes some further moderate changes, both in the alinement of Germany's tariffs with the CXT and in the reduction of its duties to other EEC member countries.

U.S. Exports of Beans, Peas, and Lentils Continue To Expand

By ORVAL E. GOODSELL
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In relatively few years, the United States has switched from the world's largest importer of beans and peas to its largest exporter, and in 4 years' time has become one of the world's large exporters of lentils.

Currently, the United States is the world's fastest growing exporter in all three of these commodities and is supplying approximately one-third of the world's total exports of beans, 40 percent of its peas, and one-fourth of its lentils. Notwithstanding these large and fast-growing exports, the United States is in surplus position in all three pulses. Agencies, both private and government, are engaged in programs to find markets for their exportable supplies.

Bean exports zoom in late 1963

U.S. bean exports for the current marketing year (September - August) started off at the most rapid pace in the country's history, reaching 2.4 million bags by the end of December. This was double shipments in the same period last year and approximately 1 million bags higher than those in any previous September - December period.

A sharp reversal of this upward movement characterized the following 4 months, during which time shipments were 50 percent below those in the same January - April period of 1962-63. Despite this drop, however, exports by the end of April had reached 3 million bags—50 percent larger than for any September - April period in U.S. bean export history. While export records are not available since April, exports are known to have slowed in May and June.

Paradoxically, the high level of exports this year (and last year) came after the loss and near-loss of two of the largest bean import markets—Cuba and Mexico, respectively. During the 1950's, these two markets took upwards of 50 percent of total U.S. bean exports. Then in January 1961, Cuba ceased buying in the United States and by mid-1961 Mexico had dropped to token quantities.

U.S. DRY BEAN EXPORTS TO CUBA, MEXICO UP

Year	Cuba		Mexico		Total dollar exports
	Exports	Percent of total exports	Exports	Percent of total exports	
	1,000	*1,000*	*1,000*	*1,000*	*1,000*
Average:	*cwt.*	*cwt.*	*cwt.*	*cwt.*	*cwt.*
1950-54	812	31.2	264	24.0	2,603
1955-59	914	38.2	274	11.4	2,395
Annual:					
1960-61	366	15.8	634	27.0	2,312
1961-62	—	—	26	2.1	1,240
1962-63	—	—	152	6.0	2,524

Western Europe, Greece, Israel, and the Caribbean, principally, have taken up the slack in the current year. The EEC alone took 1.1 million bags in the first 8 months of this season. This compares with 600,000 bags for all of last year and the 1955-59 average of 150,000.

The large movement to the EEC was encouraged by a lack of exports from the Communist Balkan area which normally supplies Western Europe. This area's 1963 crop reportedly was small and undoubtedly any surplus was siphoned off for relief or sale in the Communist Bloc, including Cuba. While some Balkan supplies have been redirected from West Europe to Cuba, U.S. exports have been redirected from Cuba and Mexico to Western Europe. This has caused considerable shift in U.S. exports from colored beans preferred by Latins toward white beans preferred by Europeans.

Colored beans have not been entirely neglected, however, as exports (principally red kidney beans) have reached alltime records to the non-Cuban Caribbean. This trade jumped from a 20,000-bag average in 1955-59 to 211,000 bags in the first 9 months of the current marketing year. The Dominican Republic and the British and French West Indies all participated in this increase. The gain, however, did not nearly compensate for the loss in the Caribbean area of bean exports to Cuba.

Exports of dried peas increase

Dry pea exports have climbed from the 1.2-million bag average in 1955-59 to an alltime high of 2.3 million in 1962-63. With 3 months remaining in the current marketing year, exports promise to equal those of 1962-63, as they have been about the same this season as they were in the corresponding months of last year.

Yellow peas have been moving slower and green peas faster than last year. This corresponds somewhat with the current supply situation in these two classes.

There is still a surplus of peas, but sales may be concluded under P.L. 480 agreements which have been signed.

Exports of lentils are running less than last year's alltime record high, but at the end of 9 months were considerably ahead of any year previous to 1963. For the first time, lentils have been declared eligible for export under P.L. 480 and have been included in an agreement. Lentils may move abroad under this program.

U.S. EXPORTS OF PULSES

Year	Beans[1]	Peas[2]	Lentils[3]
	1,000	*1,000*	*1,000*
Average:	*bags*[4]	*bags*[4]	*bags*[4]
1935-39	158	119	([5])
1950-54	2,660	805	([5])
1955-59	3,072	1,261	([5])
Annual:			
1960-61	1,818	1,824	174
1961-62	1,744	1,995	178
1962-63	3,224	2,368	425
1963-64	[6] 2,988	[7] 2,033	[7] 317

[1] Marketing year, September - August, except 1935-39, calendar years. [2] Marketing year, August - July except 1935-39 calendar years. [3] Pacific Northwest ports only; reported by Pacific Pea Growers and Dealers Association of Spokane, Washington. [4] 100-pound bags. [5] No record. But imports were running up to 100,000 bags per year, dropping to 1,000 to 2,000 bags annually in the last 4 years. [6] September - April. [7] August - April.

Brazil Imports More Wheat As Its Harvests Decline

By RADO J. KINZHUBER
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The Government of Brazil, on May 15 of this year, signed an amendment to the fifth P.L. 480, Title I agreement, now the largest in the history of Brazil's wheat purchases. Under this agreement, signed last September, Brazil is to purchase by the end of this year approximately 2.4 million metric tons of U.S. wheat under Title I of P.L. 480, in addition to its usual commercial purchases.

Of the world's 10 most populous nations, Brazil ranks eighth in population and tenth in density, and its population may be expected to triple by the turn of the century. Within Latin America, it is the largest nation, occupying one-half of the continent south of Panama and accounting for one-half of the population of that area. It is also larger than the continental United States.

Has problems growing wheat

Brazil has a vast agricultural area but is not able to produce enough wheat to be self-sufficient or even nearly self-sufficient in this important crop.

In the last 10 years many possible methods have been employed to increase domestic wheat production. Climatic and soil studies have been made, various wheat strains used, and a lot of money and effort spent on related research. However, the last domestic wheat harvest was estimated at 100,000 metric tons, the lowest in history.

Many people blame the adverse weather for this poor crop. Others claim that Brazil is not a wheat-growing area. They say that *Giberella, Septoria,* and rust, in addition to unfavorable soil and climatic conditions, will always discourage expansion of wheat production in Brazil, and that the economic competition for land is a most important factor to consider.

Historically, Brazil's wheat production reached its highest peak in 1957 when reportedly about 745,000 metric tons were produced. Since that time production has declined rather rapidly.

Increased consumption expected

Wheat consumption in Brazil depends to a great extent on wheat availability. All wheat is purchased through the Bank of Brazil, and the government controls consumption. This year's consumption is estimated at over 3 million metric tons.

Brazil's population is approximately 78 million and has a natural yearly increase of over 3 percent. Allowing for a gradual per capita increase in wheat consumption and an additional amount resulting from Brazil's industrial and economic growth, a yearly consumption increase of 4-6 percent might be projected over the next 3 to 5 years. Also, during this period, more wheat might be used for stocks, which at the present time are practically nonexistent.

Grains in the Brazilian diet

Wheat is common in the daily diet of "Brasileiros," especially in the larger centers. In addition to the so-called pastas used for spaghetti, pizzas, and other dishes, "Bisnaga," a little French-type bread, is very popular. The Brazilians like pure Bisnaga, but in the last year they had to put up with as much as 20-percent admixture of corn flour, mandioca flour, and soya. Presently, about 9 percent of manioc flour and 1 percent soya is being used in wheat flour for bread-baking purposes.

Brazilians also eat a lot of rice, mandioca, and corn. Domestic rice production, at 5.9 million metric tons last year, was the largest ever as was the production of mandioca, with about 19.5 million metric tons, and corn, with over 10 million metric tons. Many rural people, especially in the north and northeast, consume predominantly "fubá de mandioca" (mandioca flour), "fubá de milho" (cornmeal), "aipim" (mandioca in early stage of maturity used mainly as vegetable), "canjica" (similar to hominy), and

Signing an amendment to Brazil's first Public Law 480, Title I, agreement are, seated left to right, Foreign Affairs Minister Vasco Leitão da Cunha (signing); Planning Minister Roberto de Oliveira Campos; U.S. AID Director Jack Kubish; U.S. Ambassador Lincoln Gordon.

"cuscus" (a dish made of cornmeal and other homegrown commodities). Wheat is not very well known in these areas, and for many people it is too expensive to buy.

Where Brazil obtains wheat

In the past, Brazil has imported wheat principally from nearby Argentina, taking between 900,000 and 1 million metric tons a year. Argentina, however, was not able to supply the usual amount in 1961, and that year exported to Brazil only 121,000 metric tons. In 1962 the quantity was 718,000 metric tons, and in 1963 about 564,000. During the current year Argentina is scheduled to supply Brazil 1 million metric tons.

Wheat imports from the United States have increased in order to maintain Brazilian consumption, to offset the failure of Brazilian producers to sustain production, and to compensate for the drop in imports from other sources.

In the last 4 years the USSR has entered Brazil's wheat market, and in an agreement signed early in 1963 promised to supply the country with increased amounts of wheat. During that year the USSR was to deliver 500,000 metric tons; in 1964 it was to supply 600,000 metric tons, and in 1965 about 700,000. However, actual wheat deliveries from the USSR during 1963 were slightly over 263,000 metric tons, and so far this year no wheat under the agreement has been delivered.

Relies on U.S. wheat shipments

Brazil depends heavily on wheat from the United States and has found such wheat supplies to be reliable. As one of the millers here said, "If it were not for U.S. wheat deliveries, many of our mills would have to close this year."

U.S. wheat exports for cruzeiros have come a long way —from a relatively humble beginning in 1955 of about one-half million tons to today's 2.4-million-ton agreement. Since the first Title I, P.L. 480 agreement, which was signed in November 1955, Brazil will have purchased, or agreed to purchase, by the end of 1964 a total of about 7.7 million metric tons of wheat, with a market value of $483.8 million.

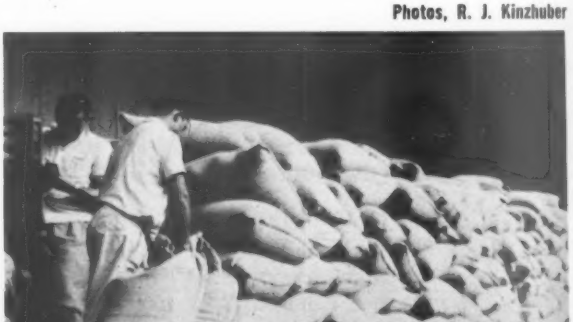
Brazil has also obtained wheat under the U.S. barter program in exchange for strategic materials. Under Titles II and III of P.L. 480, the country has received wheat flour, bulgur, and rolled wheat. It has also increased its wheat purchases for dollars.

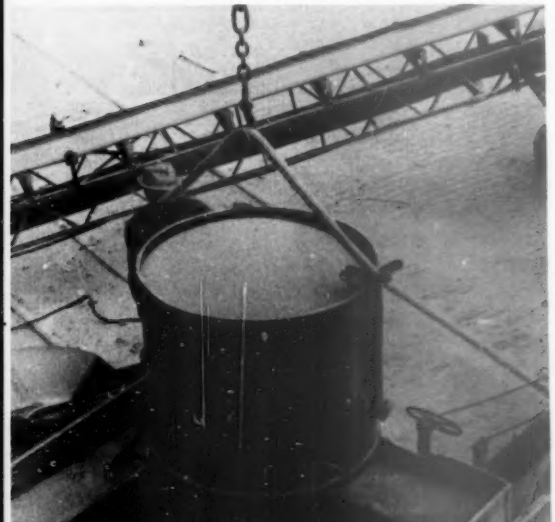
Brazil's future domestic wheat production will, as in the past, depend to a great extent on weather, soil fertility, economic competition for land, and resistance to diseases. Attempts will be made to boost the interest in wheat production; new wheat strains will be introduced, new ideas pursued, and new lands used. The recently installed government is already preparing plans in this direction. Yet there is no doubt but that Brazil's dependence on wheat imports will continue to increase. Our wheat export market in Brazil has every opportunity to share in this increase, and with the improvement of Brazil's economic situation, the country may someday become a dollar market.

CORRECTION: *In the July 20 issue of* Foreign Agriculture, *the article "Paraguay's Leading Export Crops Hit by Bad Weather Conditions" quoted the price of tobacco in dollars instead of Paraguayan guaranis, which makes quite a difference since there are 126 guaranis to a dollar.*

Photos, R. J. Kinzhuber

Unloading U.S. wheat at Brazilian ports—below, by hopper and conveyor belt, and below right, by suction pipe from ship to truck. Right, weighing and checking wheat before transportation to flour mill.





Asst. Secretary Mehren speaking at Norfolk

Italy Buys 700 Head of U.S. Feeder Cattle

More than 700 head of U.S. feeder cattle—believed to be the first shipment of U.S. feeder cattle to Europe for more than half a century—were scheduled to be unloaded this week at Genoa, Italy, after a 12-day voyage which began July 11 at Norfolk, Va.

Last week a second shipment of U.S. feeder cattle, approximately 500 head, left Baltimore for Italy.

At ceremonies marking the historic shipment at dockside, Norfolk, Assistant Secretary of Agriculture George L. Mehren said: "This marks the beginning of the development of an export potential in Europe that seems bright and promising in the future, and in keeping with this government's policy to expand trade in the best interests of the American farmer.

"We have reached an orderly adjustment with respect to importation of a different kind of meat into this country," he said, "and we have done it without impairing the freedom of private enterprise, without violence to our trading principles, and without impairing our trade potential abroad. It is our hope that this is the first of a sustained and growing pattern of trade in livestock and meat."

Valued at approximately $100,000, the cattle were purchased by Dr. Emilio Gaddini, an Italian importer, in Virginia and several other Southeastern States, including Tennessee, Kentucky, South Carolina, Georgia, and West Virginia. They are grass-fed animals of Standard grade averaging about 550 pounds per head, which were carefully selected to meet the European taste for lean beef.

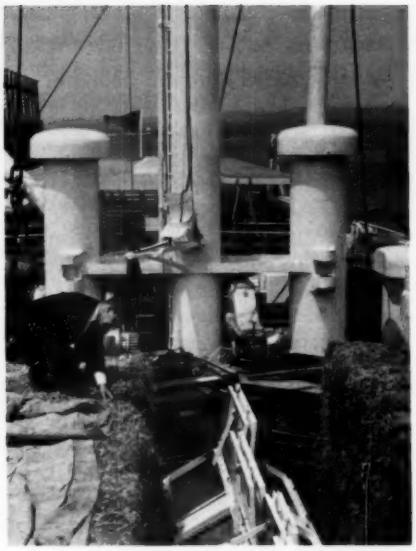
The U.S. Department of Agriculture gave much of the credit for the historic sale to the Virginia Department of Agriculture which was represented at the ceremonies by its Commissioner, Richard D. Chumney. Virginia officials worked closely with Dr. Gaddini in investigating the availability of suitable cattle and with various business firms and organizations to supply an on-board price covering land transportation, shipping, feed, and other costs.

German Tender for U.S. Beef

West Germany's recent import tender for 750 metric tons of frozen beef, or 3,000 slaughter cattle, from the United States is the latest evidence of European interest in U.S. beef. This opens the way to the first major export of U.S. beef, or cattle, to Germany in over 50 years.

Applications for licenses under the tender were received up to July 21 for export in three consignments between August 1 and December 31.

Several other European countries are currently considering buying U.S. live cattle, or beef.



Checking shipboard feed supplies

The Virginia Department of Agriculture has been one of the most active State agencies in developing an export promotion program for State and regional products.

U.S. Makes First Dollar Dairy Cattle Sale to Iran

A 27-animal shipment of top-quality registered U.S. dairy cattle to Iran earlier this month marks this country's first dollar sale to Iran, and—except for Israel—first dollar sale of dairy cattle to any Middle Eastern country.

The cattle—14 U.S. Holsteins, 9 Jerseys, and 4 Brown Swiss bulls—were purchased by Iran's Ministry of Agriculture for breeding purposes on its experimental farms.

In past years, Iran has imported most of its dairy cattle from Austria, Switzerland, and the Netherlands. (A small shipment from Israel in 1961 was made up of cattle with 100 percent U.S. Holstein blood lines.)

U.S. market development has concentrated on proving to Iran's officials that performance of U.S. breeding stock made payment of longer-distance shipping costs worthwhile. As a part of this promotion effort, token gifts of U.S. dairy cattle were made to Iran to demonstrate the value of U.S. blood lines in upgrading Iranian herds.

European Marketing Requirements for U.S. Onions

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Many northern European countries are not able to grow storage onions in sufficient quantity to satisfy the winter needs of their populations. Those countries that do grow onions frequently have difficulties in obtaining uniformly maturing bulbs and also difficulties in curing and storing the crop due to variability of the climate. As a result, most countries import onions at some time in the year and many import high-quality onions all through the year. As an example, the United Kingdom uses about 10 pounds of onions per capita, of which only 1 pound is produced locally. The local crop supplies the market for about 6 weeks of the year.

In recent years, the United Kingdom has been the best European customer for U.S. onions. In 1962, the United Kingdom imported 6,750 tons of U.S. onions, valued at $610,000. However, this is only a small part of its total onion imports in 1962 of 219,500 tons, worth $24.6 million.

A study of the situation reveals several reasons why this market has not developed more extensively for U.S. onions. Some reasons are artificial or political in nature and will be difficult to change, while others are largely a matter of misunderstanding and can be corrected if it is found profitable to do so.

Bag weights

Fortunately, our bag weight is generally acceptable. The United Kingdom uses the long ton, and a hundredweight is 112 pounds. A bag is one-half of a hundredweight, or 56 pounds, which is practically equivalent to 25 kilograms in the metric system used on the Continent. Only the United States and Canada ship in 50-pound bags. However, U.K. importers are accustomed to the 50-pound bag and most of them advise not to change the bag weight.

One of the chief complaints of U.K. importers has been onion sizes. Most competing nations separate their onions into three or four sizes, small, medium, large, and extra large, and ship 56 pounds to the bag.

Onions under 2″ are not liked in the U.K. market. The Canadians are aware of this dislike, and most of the Canadian onions recently observed in London were 2″ and over. Polish onions are considered top quality in every respect in the U.K. market, and Polish onions are graded very carefully into three standard sizes and the tolerance within a size is very narrow.

Most importers of U.S. onions specify U.S. No. 1 Grade because of the limitations on disease and decay defects. They are not aware that the U.S. No. 1 Grade minimum size is 1½″, unless specified otherwise, that no maximum size is stipulated, and further, that only 40 percent of a bag, or lot, of yellow onions need be 2″ or larger. Most importers do not have copies of the U.S. Grade Standards, or have not read them, and only know the grades by hearsay.

Importance of size

However, the importers are quite satisfied with the overall quality of U.S. onions, except for the wide range of sizes in a bag. If the U.S. onion industry wants to improve its market potential in the United Kingdom, it will have to size its product more carefully.

The defect next in importance to U.K. importers is sprouting. Onions shipped in the early part of the season may be held several months in storage when U.K. prices are low. Some importers in 1962 received U.S. onions in sprouted condition. Other importers had specified sprout-inhibited onions but did not receive them.

U.K. importers generally are aware of the sprout-inhibiting practice and all Canadian onions recently observed in U.K. markets had been treated with sprout inhibitors. It is important that U.S. onions shipped to the United Kingdom be so treated.

The U.S. trade is very likely to be a late-season operation, because prior to February 1, the tariff is a flat rate of 32¢ per 50-pound bag levied against all onions originating outside Commonwealth countries. After January 31, the tariff drops to 10 percent ad valorem—that is, 10 percent of c.i.f. value—which is generally more favorable to the U.S. onion trade. Because of Commonwealth preference Canadian onions enter duty free.

A third matter of concern is the problem of onions being damaged by freezing during shipment. The shippers should follow their onions to the point of loading aboard ship and prevent the loading of any frozen onions. The main problem is assessing the damage and assigning the responsibility. In international deals, this can be quite a complex endeavor and sometimes not worth the trouble. Egypt, Chile, and other southern countries do not have this problem and offer an alternate source of supply.

Big Dutch re-exports

In respect to the Continent, the Dutch market is not a consuming market for U.S. onions. However, the Dutch are the next best European market for U.S. onions because of their extensive re-export trade to the Baltic area, continental Europe, and other countries.

Holland grows and largely exports a crop of onions about the size of the New York State crop, and in addition buys onions from about 20 other countries. The Dutch importers are the principal European brokers for the Egyptian crop. In late season, the U.S. onions would compete with the early Egyptian crop. In general, the U.S. onion has a somewhat better reputation than the Egyptian onion.

Continental markets — particularly West Germany—want carefully sized onions in 25-kilogram (55-lb.) bags. Eastern European competition is especially keen in the German market and Polish, Hungarian, and Czeckoslovakian exporters have the advantage of quick delivery, which is important when 90 percent of the imports are publicly auctioned on the day of arrival. However, during periods of extreme cold, onions cannot be shipped from these areas as the carriers do not provide protection against freezing.

German markets

The North German market requires onions of small size while the Central and South German markets use on-

(Continued on page 16)

This article is based on a recent market development survey sponsored by the Foreign Agricultural Service in cooperation with Cornell University.

U.S. Wheat and Flour Exports Highest in History

United States exports of wheat and wheat flour (grain equivalent) were 10 percent higher for the period between July 1963 and May 1964 than those for any entire fiscal year in history. The 788 million bushels shipped during this period represented a 34-percent increase over the amount shipped in the same period last year.

U.S. exports of wheat and flour are expected to reach 850 million bushels by the end of the 1963-64 fiscal year, or 33 percent more than the 638 million bushels exported during the 1962-63 fiscal year. With the addition of products, bulgur, and rolled wheat, the total will exceed 860 million bushels.

A detailed table and analysis appears in the July issue of *World Agricultural Production and Trade—Statistical Report.*

U.S. Feed Grain Exports Continue Upward Trend

U.S. feed grain exports through May of fiscal 1964 totaled 14.5 million metric tons—8 percent above those of the same period a year earlier. Accounting for this gain was the 20-percent increase in shipments of corn; exports of the other three feed grains were off by 16 percent.

Japan was the largest market for feed grain, receiving 17 percent of the total. This is more than double the exports for the same period last year.

A detailed table and analysis appears in the July issue of *World Agricultural Production and Trade—Statistical Report.*

U.S. Exports of Animal Products Rising

Exports of most U.S. animal products for the first 5 months of 1964 were sharply above those of the previous year.

Lard exports were up more than one-fourth and totaled nearly 300 million pounds, of which three-fourths were shipped to the United Kingdom. Exports of tallow and greases totaled one billion pounds at the end of May, up more than a third from last year. Practically all traditional markets took more.

Exports of red meats were nearly 50 percent greater than the first 5 months' total for last year. There has been stronger interest in U.S. beef from Western Europe and in Israel. Canada, Japan, and Western Europe have been the major destinations for U.S. pork. Western European buying has also been the major factor in the rise of variety meat exports.

The only two products to show a drop in 1964 were natural casings and mohair. U.S. exports of casings to Europe are probably being affected by the reentry of the Communist Chinese into the export market. Mohair exports were reduced to a small fraction of the previous year. The domestic demand has been strong, and higher U.S. prices thus far in 1964 may have made South African and Turkish mohair more attractive to European and Japanese buyers.

U.S. hide exports for January - May have risen sharply above the previous year's, largely because of increased buying by Japan and Western Europe. Reduced Argentine shipments also benefited U.S. exports.

Exports of live cattle in the first 5 months were more than three times larger than those of the same 5 months in 1963. The bulk of this year's exports are going to Canada, although over the next few months prospects are bright for shipments to Europe. More than 700 feeder cattle were shipped to Italy in early July.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
(Product weight basis)

Commodity	May		Jan.-May	
	1963	1964	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	70,148	51,926	227,499	291,340
Inedible tallow & greases [1]	201,772	274,892	746,807	1,022,201
Edible tallow & greases [2]	981	2,297	4,722	6,028
Meat:				
Beef and veal	1,821	5,728	9,724	17,643
Pork	12,956	13,508	56,227	78,832
Lamb and mutton	131	134	525	584
Sausages:				
Except canned	126	330	590	1,287
Canned	134	62	369	360
Baby food, canned	39	90	235	322
Other canned meats	163	234	589	745
Total red meats	15,370	20,086	68,259	99,773
Variety meats	13,787	22,741	65,754	88,879
Sausage casings:				
Hog	1,438	808	6,333	5,039
Other natural	600	309	2,025	1,380
Mohair	1,126	106	6,813	1,217
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	701	1,072	2,971	4,422
Calf	133	223	634	1,075
Kip	22	16	86	111
Sheep and lamb	253	380	1,161	1,423
	Number	*Number*	*Number*	*Number*
Live cattle	1,828	16,519	7,530	26,701

[1] Includes inedible tallow, greases, fats, oils, oleic acid or red oil, and stearic acid. [2] Includes edible tallow, oleo oil and stearin, oleo stock, and shortenings, animal fat, excluding lard.

Argentina To Import Sunflowerseed Oil

Argentina, a major sunflowerseed producer and a traditional exporter of sunflowerseed oil, will, according to official sources, import about 20,000 metric tons of sunflowerseed oil in the current marketing year ending next March 31. Trade sources indicate that the oil may be imported from Russia in exchange for linseed oil.

Such action would: (1) ease the tight supply situation in edible oils, which has come about through reduced domestic outturn, chiefly sunflowerseed and peanut oils, in the last 2 years; (2) stimulate linseed oil exports, which through July 8 of this calendar year were only 82,600 tons compared with 142,300 tons in the comparable period of 1963; and (3) divert increased quantities of peanut oil, which is relatively more high-priced than usual, from domestic consumption into export channels.

The Argentine sunflowerseed and peanut crops in 1964 are, according to the second official estimates, placed at 456,000 tons and 335,000 tons, respectively, compared with 456,000 tons and 312,000 tons in 1963.

With sunflowerseed oil imports of 20,000 tons, exportable supplies of edible oils, largely peanut oil, could significantly exceed 40,000 tons exported in 1963.

ARGENTINE EDIBLE VEGETABLE OILS 1962-64 [1]

Item	1962	1963 [2]	1964 [3]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Supply:			
Stocks, April 1	22	[4]8	[4]7
Production:			
Sunflower	210	130	115
Peanut	107	75	80
Cottonseed	17	24	20
Olive	7	8	10
Others [5]	9	9	10
Total production	350	246	235
Imports:			
Sunflower	----	----	20
Total supply	372	254	262
Distribution:			
Exports:			
Sunflower	12	1	----
Peanut	107	30	45
Cottonseed	13	1	1
Olive	10	8	9
Others [6]	----	----	----
Total exports	142	40	55
Domestic disappearance	200	207	200
Stocks, March 31	30	[4]7	[4]7
Total distribution	372	254	262

[1] Season beginning April 1. [2] Partly estimated. [3] Estimated. [4] Crude oil only. [5] Includes rape, grape, corn, and other oils.

Belgium's Imports of Oilseeds, Products Decline

Belgium, a traditional net importer of oilseeds, vegetable oils, and cakes and meals, in 1963 imported about 169,600 short tons of oilseeds and vegetable oils (oil equivalent basis) compared with 182,400 tons in 1962. Reduced takings of soybeans and flaxseed largely from the United States and palm kernels largely from Nigeria principally accounted for the decline. Imports of vegetable oils, as such, however, gained somewhat, reflecting increased takings of peanut oil from Nigeria and Argentina and coconut oil from the Netherlands.

Production of vegetable oils declined by a lesser amount than the oil equivalent of the imports of oil-bearing materials. This reflects increased crushings of indigenous flaxseed as well as an apparent reduction in stocks primarily of soybeans.

Imports of vegetable oils in 1963 supplied about 44 percent of the domestic utilization compared with 40 percent in 1962, reflecting reduced production from imported oil-bearing materials. This increase resulted from the decline in prices for oils relative to oilseeds, particularly soybeans and flaxseed, as well as difficulty in disposing of the meal from oilseed imports, in the face of strong competition from imported meals. Palm oil imports in 1963 largely from the Congo (Leopoldville) again accounted for nearly one-half of Belgium's imports of vegetable oils.

Production of cakes and meals in 1963 at 177,100 tons declined by 10 percent from 196,900 tons in 1962 to about the 1961 level. The decline was due primarily to reduced crushings of soybeans. Imports of cakes and meals declined by 42,800 tons, or 13 percent below 1962 reflecting reduced imports of soybean, sunflower, and cottonseed cakes and meals.

Exports of cakes and meals declined markedly in 1963. The decline reflected reduced movements of palm kernel cake as well as a sharp drop in "other," which is believed to be largely soybean, peanut, and linseed cakes and meals.

BELGIUM'S SUPPLY OF OIL-BEARING MATERIALS AND VEGETABLE OILS

Commodity	Production		Imports	
	1962	1963	1962	1963
	Short tons	*Short tons*	*Short tons*	*Short tons*
Oil-bearing materials:				
Peanuts	----	----	83,991	70,731
Soybeans	----	----	131,910	95,167
Copra	----	----	27,048	28,962
Palm kernel	----	----	35,318	23,164
Flaxseed	19,091	22,434	35,796	26,291
Castorbeans	----	----	7,579	3,306
Other	166	54	14,793	13,382
Total	19,257	22,488	336,435	261,003
Oil equivalent of oilseeds	6,532	7,641	113,513	91,148
Vegetable oils (crude):				
Peanut	34,479	32,915	5,585	10,281
Soybean	22,180	20,170	1,240	1,427
Coconut	16,975	18,573	7,120	11,231
Palm kernel	17,594	10,948	2,894	2,541
Palm	----	----	39,588	38,148
Linseed	12,609	7,911	1,279	1,132
Castor	2,951	2,244	1,025	1,409
Other	4,071	4,790	10,150	12,327
Total	110,859	97,551	68,881	78,496
Total oil equivalent	117,391	105,192	182,394	169,644

National Statistical Institute.

BELGIUM'S EXPORTS AND IMPORTS OF OILSEED CAKES AND MEALS 1962 AND 1963

Commodity	Exports		Imports	
	1962	1963	1962	1963
	Short tons	*Short tons*	*Short tons*	*Short tons*
Cottonseed	463	----	37,529	31,526
Peanut	13,305	11,391	46,879	44,428
Soybean	15,575	17,232	102,257	81,150
Sunflower	1,887	823	23,115	14,892
Rapeseed	104	37	20,563	18,508
Sesame	11	11	13,628	14,033
Copra	2,265	683	10,599	7,143
Palm kernel	14,051	5,009	45	561
Linseed	14,150	10,311	30,069	27,447
Other	42,504	3,595	41,157	43,324
Total	104,315	49,092	325,841	283,012

National Statistical Institute.

Philippine Copra and Coconut Oil Exports

Registered exports of copra and coconut oil from the Philippine Republic in January - June (oil-equivalent basis) totaled 308,903 long tons, down 9 percent from 339,308 in the same period of 1963.

PHILIPPINE EXPORTS OF COPRA AND COCONUT OIL

Destination	1963 [1]	January-June 1963 [1]	January-June 1964 [1]
	Long tons	*Long tons*	*Long tons*
Copra:			
United States	245,293	102,425	96,901
Europe	623,693	257,215	222,079
South America	16,970	7,000	1,000
Japan	38,977	16,500	10,800
Other Asia	500	----	500
Middle East	3,250	3,250	140
Total	928,683	386,390	331,420
Coconut oil:			
United States	183,648	90,440	84,291
Europe	28,489	1,578	11,660
South Africa, Rep. of	----	----	843
Total	212,137	92,018	96,794

[1] Preliminary.

Compiled from monthly data on registered shipments.

Japanese Rapeseed Production Increases

Japan's 1964 rapeseed crop, harvested largely in June, is officially estimated at 152,300 short ons—one-fourth greater than the weather-damaged crop of only 120,000 tons in 1963. The increase reflected some recovery in yields despite a further decline in acreage.

Rapeseed, like wheat and barley, is losing popularity because of the labor shortage. Farmers have found off-farm employment during the winter months, and much land formerly planted is now left fallow. Even with high prices for rapeseed, farmers find good wages in industry more profitable than remaining on the farm and growing rapeseed.

Support prices for the 1964 rapeseed crop have not yet been announced, but some increase from last year is expected. The 1963 government price was 3,360 yen per 60 kilograms (7.06 U.S. cents per lb.)—180 yen (about 5 percent) above the guaranteed price in 1962. Support prices during the past 2 years have been somewhat below market prices and no government purchases have been made; nor do any appear likely in 1964.

Little concern about declining rapeseed acreage appears to be reflected in government policy. Consequently, oilseed imports may continue to rise, in response to reduced domestic production as well as to the increasing domestic needs.

JAPANESE RAPESEED AREA, YIELDS, AND PRODUCTION

Year	Planted area	Yields	Production
	1,000 acres	*Pounds per acre*	*1,000 short tons*
Average 1955-59	559.3	1,107	309.7
Annual:			
1960	473.0	1,229	290.6
1961	481.6	1,252	301.5
1962	427.7	1,272	272.0
1963	347.7	690	120.0
1964 [1]	300.5	1,014	152.3

[1] Preliminary.

Japanese Ministry of Agriculture and Forestry.

U.S. Exports of Soybeans, Edible Oils, Cakes and Meals

Soybean exports from the United States in May, at 14.0 million bushels, declined by one-fifth from those in April. However, cumulative exports in 8-month period October-May 1963-64 were up nearly 8 percent from those in the comparable period of 1962-63. Major destinations for May exports were West Germany, Canada, the Netherlands, and Japan.

Edible oil exports (soybean and cottonseed) in May were 116.7 million pounds—29 percent below those of the previous month. Cumulative shipments in October-May were down 9 percent from the same 1962-63 period. The decline reflects reduced shipments of soybean oil and incomplete data on foreign donations; it was partly offset by increased shipments of cottonseed oil.

The volume of *soybean oil* shipments in May, at 62.7 million pounds, dropped significantly from that in April. The major destinations were Poland, Iran, the Netherlands, Taiwan (with 4.4 million lb.) and Hong Kong (with 3.4 million lb.).

Cottonseed oil exports in May totaled 54.0 million pounds, sharply above those in April. Most of the tonnage moved to Egypt, Poland, and West Germany.

Cake and meal exports in May, at 132,900 short tons, gained nearly one-third from those in April. However, cumulative exports through May remained 18 percent below those in the comparable 8 months of 1962-63. Soybean meal shipments, accounting for 94 percent of the total, moved largely to Spain, France, the Netherlands, Belgium, Canada, West Germany, and Denmark.

U.S. EXPORT OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS, MAY 1964

Item	May		October-May	
	1963 [1]	1964 [1]	1962-63 [1]	1963-64 [1]
SOYBEANS				
Japan ---mil. bushels	3.0	1.6	35.3	32.1
Germany, West ---do	.7	3.1	18.2	22.7
Netherlands ---do	1.2	1.7	16.6	18.4
Canada ---do	2.8	3.0	14.3	18.3
Denmark ---do	1.0	--	9.0	8.6
	.4	.1	8.9	7.6
Others ---do	2.5	4.5	29.2	33.7
Total ---do	11.6	14.0	131.5	141.4
Oil equiv. ---do	126.9	153.8	1,441.4	1,552.1
Meal equiv. ---do	271.6	329.2	3,091.3	3,321.9
EDIBLE OILS				
Soybean:				
Commercial: [2]				
Poland --mil. pounds	--	24.2	--	82.3
Turkey ---do	6.6	3.1	33.1	77.6
Netherlands --do	--	5.3	.1	40.3
Iran ---do	8.0	6.7	33.0	35.8
Hong Kong ---do	1.1	3.4	22.1	35.5
U. Kingdom --do	--	1.5	--	30.5
Colombia ---do	--	--	--	27.6
Pakistan ---do	--	--	63.1	26.5
Others ---do	79.8	18.5	554.6	245.7
Total ---do	95.5	62.7	706.0	601.8
Foreign donations [3] do	8.5	(4)	63.6	[5].1
Total soybean -do	104.0	62.7	769.6	601.9
Cottonseed:				
Commercial: [2]				
Germany, West mil. pounds	13.7	7.9	43.1	77.4
Netherlands --do	17.4	--	37.2	69.0
Egypt ---do	--	24.0	28.1	52.3
Turkey ---do	9.4	--	23.2	33.1
Canada ---do	3.4	1.4	21.1	24.5
Others ---do	14.3	20.7	119.1	111.3
Total ---do	58.2	54.0	271.8	367.6
Foreign donations [3] do	2.1	(4)	28.4	(5) (6)
Total cottonseed --do	60.3	54.0	300.2	367.6
Total oils ---do	164.3	116.7	1,069.8	969.5
CAKES AND MEALS				
Soybean:				
France ---1,000 tons	32.3	16.9	165.3	161.2
Canada ---do	27.6	13.0	178.1	118.6
Spain ---do	30.6	24.5	167.3	118.1
Netherlands ---do	5.0	16.1	145.3	77.0
Belgium ---do	1.7	13.4	66.5	67.9
Yugoslavia ---do	1.2	--	26.4	65.5
Germany, West -do	14.9	10.1	95.0	55.1
Denmark ---do	--	9.7	60.8	54.1
Italy ---do	10.6	4.5	35.6	52.1
Others ---do	8.4	17.3	92.2	116.0
Total ---do	132.3	125.5	1,032.5	885.6
Cottonseed ---do	4.5	7.3	73.4	36.2
Linseed ---do	.4	--	34.7	16.0
Total cakes and meals [7] ---do	138.5	132.9	1,150.0	938.0

[1] Preliminary. [2] Includes Title I, II, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Title III, P.L. 480. [4] If any, data not available. [5] Incomplete. [6] Less than 50,000 pounds. [7] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

Note: Countries indicated are ranked according to quantities taken in the cumulative period of the current marketing year. Therefore, monthly data of lesser importance in the cumulative period, shown in parentheses in the text, are omitted from the table.

U.S. Tung Oil Imports Rise

U.S. net imports of tung oil during November-May of 1963-64, at 13.9 mililon pounds, were up one-fifth from the comparable period in 1962-63.

The gain largely reflected increased purchases from Paraguay—up 3.5 million pounds—and from Brazil. However, imports from Argentina—the traditional major source of supply—declined significantly.

Imports into the United States in recent months have been spurred by the marked decline in price, which throughout the current market year has trended downward reflecting increased availabilities.

Because of lower prices, tung oil consumption in the United States is expected to rise to 35 million pounds in 1963-64 from an estimated 30 million in 1962-63. U.S. imports of tung oil in 1963-64 are expected to total at least 24 million pounds.

U.S. IMPORTS AND EXPORTS OF TUNG OIL

Country	November-October			November-May	
	1960-61	1961-62	1962-63	1962-63[1]	1963-64[1]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Imports:					
Argentina	22.1	16.4	13.4	8.4	7.0
Brazil	.5	.7	1.6	--	.7
Paraguay	3.0	--	5.1	3.3	6.8
Rhodesia & Nyasaland	.2	--	.1	.1	.2
Others	--	--	.1	.1	--
Total	25.8	17.1	20.3	11.9	14.7
Exports, total	25.2	9.4	.5	.3	.8
Net imports	.6	.7	19.8	11.6	13.9

[1] Preliminary.

U.S. Bureau of the Census.

Marine Oil Production Down 16 Percent in 1963

World production of marine oils, excluding seal oil, totaled an estimated 1,071,500 short tons, 16 percent below that of the previous year. Production of baleen whale oil and fish and fish liver oil declined by an estimated 109,700 and 94,200 tons, respectively. Sperm oil production, however, rose 5 percent in 1963.

The production of seal oil in 1963 is estimated at 3,600 tons, compared with an estimated 4,600 tons produced in 1962.

WORLD MARINE OIL PRODUCTION, 1961-63

Item	1961	1962	1963[1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
Baleen whale oil	427.7	390.1	280.4
Sperm whale oil	119.9	129.8	135.8
Fish and fish liver oil	668.6	749.5	655.3
Total	1,216.2	1,269.4	1,071.5

[1] Preliminary.

Nigerian Purchases of Palm Oil, Palm Kernels

The Regional Marketing Boards in the Federation of Nigeria purchased 92,980 long tons of all grades of palm oil from January through May of the current marketing year. Through May 1963 purchases totaled 92,666 tons.

Palm kernel purchases by the Marketing Boards through May 1964 totaled 175,336 tons. This was an increase of 4 percent, or 6,587 tons, from the 168,749 tons purchased in the same period a year ago.

Brazil Permits Maximum Exports of Oilseed Meals

The Brazilian Government on June 13 began permitting exports of the following products in the maximum quantities indicated:

	Metric tons
Peanut meal	20,000
Soybean cake	15,000
Soybean meal	10,000
Cottonseed meal (only from the northeast)	10,000
Babassu meal	10,000
Soybean flour	500

The above action is reported to have been taken because of urgent requests from exporters in view of availabilities of these items. Furthermore, the National Superintendency of Supply (SUNAB) stated that the action was taken to protect usual export markets abroad.

Government estimates on Brazil's availability of feeds and feedstuffs prior to mid-May had indicated expected shortages of these commodities. However, farmers reportedly were not expected to purchase large quantities of high-protein content feedstuffs because of shortages in feed grains.

Brazil's exports of the above commodities in 1963 were as follows:

	Metric tons		*Metric tons*
Peanut meal	101,970	Cottonseed meal	33,389
Soybean cake	2,461	Babassu meal	152
Soybean meal	59,554		

Other cakes and meals, including 16,182 tons of babassu cake and 5,765 of peanut cake, were exported in 1963.

French Oilseed Acreage Data Revised

French oilseed acreage in 1964, primarily rapeseed, is now officially estimated at 392,900 acres, up markedly from 1963 but 4 percent below the unofficial estimate for 1964 (*Foreign Agriculture*, Apr. 27, 1964).

The increase is accounted for by a 133,000-acre rise in rapeseed sowings, somewhat offset by a decline in flaxseed and sunflowerseed acreage. Weather this season has been mainly satisfactory, but some damage may have resulted from recent severe rains.

FRENCH OILSEED ACREAGE AND PRODUCTION

Item	1962		1963[1]		1964
	Area	Production	Area	Production	Area[1]
	1,000 acres	*1,000 short tons*	*1,000 acres*	*1,000 short tons*	*1,000 acres*
Rapeseed[2]	220.9	176.3	172.2	145.0	285.2
Flaxseed[3]	50.2	28.7	37.1	21.5	34.1
Other[4]	72.7	35.5	83.8	31.3	73.6
Total	343.8	240.5	293.1	197.8	392.9

[1] Preliminary. [2] Includes Navette. [3] Excludes that grown for fiber. [4] Includes primarily sunflowerseed and poppyseed.

French Ministry of Agriculture bulletin.

Record Turkish Filbert Crop Predicted

Turkey's 1964 filbert crop is forecast at a record 175,000 short tons inshell basis, or 88,000 short tons shelled equivalent. If the forecast proves accurate, the crop would be 20 percent above the previous record of 143,300 tons in 1956 and 85 percent larger than the below-average 1963 crop of 94,000 tons. The current forecast represents an upward revision from the 120,000-ton figure published earlier.

Egypt Sets New Crop Cotton Prices, Suspends Exports

Extremely large export sales of Egyptian extra long staple cotton immediately after the announcement of official prices for the 1964 crop—to be available for export beginning in October—resulted in the suspension of all sales on July 12, until further notice. Upon the announcement on July 8 of new-crop prices nominally lower than those previously in effect, export sales to non-Communist countries during the July 8-12 period totaled 250,000 running bales.

Under the current Egyptian policy, equal quantities of cotton will be exported to Communist and non-Communist countries. Reservation of an equivalent quantity for the former means that roughly three-fourths of the prospective exportable supply from the new crop was sold or subject to commitment in the first few days of trading.

Meanwhile, supplies of ELS cotton for immediate shipment to consuming countries remain seriously short, with high qualities from the 1963 Sudanese crop nearly exhausted and the smaller 1964 crop of Peruvian Pima not yet available in quantity. Some of this market shortage is expected to be alleviated by U.S. export sales of Egyptian and Sudanese ELS cotton formerly in the national stockpile and by forthcoming export sales of small quantities of surplus American Egyptian cotton.

Canada's Flue-Cured Exports Up Sharply

Canada exported 21.7 million pounds of unmanufactured tobacco in January-March 1964—four times the quantity shipped out in the first 3 months of 1963. Practically all of the exports consisted of flue-cured tobacco. Major markets included the United Kingdom, which took 16.1 million pounds; the USSR, 2.7 million; Czechoslovakia, 1 million; and Japan, 815,000. The last three countries are new customers for Canadian leaf.

CANADA'S EXPORTS OF UNMANUFACTURED TOBACCO

Destination	January-March	
	1963	1964
	1,000 pounds	*1,000 pounds*
United Kingdom	4,676	16,054
USSR	----	2,712
Czechoslovakia	----	1,000
Japan	----	815
Netherlands	----	169
Hong Kong	72	157
Others	415	835
Total	5,163	21,742

West Germany Modifies Tobacco Duty Rates

Effective July 1, 1964, West Germany modified its import duty rates on tobacco products from non-Common Market countries. The rates are now the same as the ultimate Common Market rates for tobacco products. The new effective rates (which apply to imports from the United States) are as follows:

	Percent ad valorem
Cigarettes	180
Cigars and cigarillos	80
Smoking tobacco (fine cut)	180
Smoking tobacco (other)	100
Chewing tobacco	100
Tobacco dust	40
Tobacco (agglomerated)	40
Other manufactured tobacco	40

Yugoslavia's Tobacco Exports in 1963

Yugoslavia's tobacco exports in 1963 totaled 33.9 million pounds, compared with 32.1 million in 1962. Larger exports to Poland, East Germany, Czechoslovakia, Egypt, West Germany, and France were more than enough to offset a sharp drop in U.S. purchases.

Exports to the United States in 1963 totaled 7.5 million pounds—little more than half the 14.3 million exported to this country in 1962. Poland, with purchases of 7.6 million pounds, was Yugoslavia's largest foreign market last year. Other leading markets were as follows: East Germany, 6 million pounds; Czechoslovakia, 3.9 million; Egypt, 2.4 million; West Germany, 1.9 million; and France, 1.5 million.

YUGOSLAVIA'S TOBACCO EXPORTS, 1961-63

Destination	1961	1962	1963 [1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Poland	6,535	4,382	7,579
United States	5,101	14,344	7,478
Germany, East	3,905	4,775	6,025
Czechoslovakia	666	1,629	3,929
Egypt	3,201	2,293	2,447
Germany, West	2,133	903	1,853
France	7,381	1,226	1,450
Sweden	121	684	827
Belgium	719	385	706
Austria	679	198	220
Hungary	662	220	0
Italy	2,206	359	0
Others	1,741	690	1,395
Total	35,050	32,088	33,909

[1] Preliminary; subject to revision.

Guatemala Will Import Baby Chicks

The Guatemalan Government lifted its ban on imports of day-old chicks on June 26, 1964. The Commissioner of Poultry Development has recommended the importation of good-quality day-old chicks from the United States for meat and egg production until local hatcheries improve their product. Guatemala expects to import day-old chicks valued at $300,000 during the remainder of 1964.

Malagasy-U.S. Vanilla Agreement Concluded

A $3.4-million vanilla bean marketing agreement was concluded on July 4 between the Malagasy Republic and the U.S. Vanilla Bean and Flavoring Extract Manufacturers Associations.

The agreement provides for the purchase of 368 metric tons of vanilla beans at U.S. $10.20 per kilogram, less an 80-cent advertising discount to be returned to the purchaser, and an additional 20 cents to be subtracted for brokerage commissions. Thus, the net to the Malagasy Vanilla Stabilization Fund will be $3,385,600.

The specified tonnage is to be shipped no later than October 31. Purchase orders were to be placed prior to July 17, with those placed between May 11 and July 4 to be included in the 368-ton purchase and to benefit from the advertising rebate. Purchase orders for this period amounted to 226 tons.

In addition, U.S. importers have agreed to purchase 84 tons of vanilla for August - December shipment from the Comoro Islands at $9.70 per kilogram, less the 80-cent advertising discount to the producer.

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Pakistan Abolishes Minimum Export Prices on Jute

The Government of Pakistan has announced a new jute policy for the fiscal year 1964-65, through which it will abolish minimum export prices and set up a new system for continuing minimum prices to the grower. Buffer stock operations and the quota system for exports will be continued.

Exports of raw jute from Pakistan fell to 3.7 million bales in July - May 1963-64, from 4.1 million during the same period of 1962-63.

Mexican Government Purchases Cordemex Stocks

Mexico Nacional Financiera, S.A., has confirmed its purchase of the stocks of Cordemex, S.A. de C.V., which represents the cordage industry of Yucatan. The new Board of Directors will place control of the company in the government.

The new Director General announced that the company would continue the same relation to the American market as before, but that price, service, and quality may improve. He foresees a constant source of henequen fiber for the mills through better relations with both the growers and the Banco Agrario de Yucatan.

He also announced that the local labor force will be neither increased nor cut, and wages will not be increased. The profits will be reverted to local improvements, such as roads, schools, electric plants, and scholarships.

U.S. Onions in Europe

(Continued from page 11)

ions of medium size. A few large onions are sold, but large onions constitute only about 10 percent of the total German import trade.

Buying U.S.-produced onions is somewhat hazardous for German importers because of the delay between ordering and delivery. By the time the onions arrive by ship, the price may have changed drastically and if the onions are not sized according to the custom of the market, the buyers may discount them severely. For these reasons, U.S. onions have been sold in the German market only in times of extreme shortage.

There is no special prejudice against U.S. onions in the German market except on the matter of sizing and bag weights, and some Canadian onions properly sized and bagged for this market last season brought a very good price in Hamburg.

If the U.S. onion industry wishes to develop a European market on a sustained basis, the first prerequisite is to develop procedures for sizing and packaging onions in a manner acceptable to this market. This includes labeling of sizes and weights on bags and some certification of sprout inhibition at least for the U.K. market.

In all probability, the best way to do this would be to promulgate a new U.S. grade standard for export onions which would tend to make the practices of the industry uniform in character.

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